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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
YEARS ENDED JUNE 30, 2004 AND 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/14/05

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005**

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005**

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## BASIC FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 30  
BAKER, LOUISIANA 70704-0030  

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(225) 775-4982

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**INDEPENDENT AUDITORS' REPORT**

July 21, 2005

Board of Commissioners of the  
Amite River Basin Drainage and  
Water Conservation District  
State of Louisiana  
3535 South Sherwood Forest Boulevard  
Suite 135  
Baton Rouge, Louisiana 70816

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Amite River Basin Drainage and Water Conservation District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

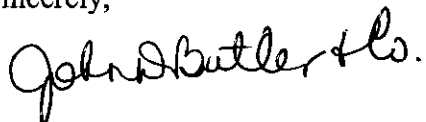
Board of Commissioners of the  
Amite River Basin Drainage and  
Water Conservation District  
State of Louisiana  
July 21, 2005  
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Amite River Basin Drainage and Water Conservation District's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2005, on our consideration of the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

A handwritten signature in cursive script that reads "John D. Butler & Co.".

John D. Butler & Company  
A Professional Accounting Corporation

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART 1 OF 2)**

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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The purpose of this section is to offer management's discussion and analysis of the Amite River Basin Drainage and Water Conservation District of the State of Louisiana's (hereafter referred to as the District) financial performance during the year ended June 30, 2005. It should be read in conjunction with the financial report taken as a whole.

**Highlights of the District as a Whole**

For the past years, the District has been spearheading the construction of the Comite River Diversion Canal Project. This is a \$163,000,000 Regional Flood Control Project to benefit portions of East Baton Rouge, Ascension and Livingston parishes.

The project is funded 70% with federal funds, 20% with state funds and 10% with District funds. The District funds, to carry out the responsibilities of the District, are funded through a 3-mill, 10-year ad valorem tax approved by the citizens in the District in the year 2000.

Our efforts have been concentrated in acquiring rights-of-way, preparation of plans and specifications for the various features of the canal – highways, bridges, railroad bridges and control structures. Construction has started on Phase II of the Lilly Bayou Control Structure located at the western end of the proposed canal.

Other activities undertaken under the District's auspices include: (1) provide technical assistance to local governments towards the implementation of the Community Rating System (CRS) – this is a FEMA program to lower flood insurance rates to citizens affected by flooding, (2) through a Cooperative Agreement with the United States Geological Survey (USGS) maintain and operate river gauges along the Amite, Comite and Colyell Rivers. The information obtained through these gauges helps develop more accurate hydrologic and hydraulic modeling capabilities. Also, these river gauges are a critical and essential part for predicting flood stages during flooding events and is an indispensable tool for emergency preparedness managers and the public in general. A companion to this effort is a "Flood Tracking Chart" published by the District and free of charge to the general public.

**Overview of the Financial Statement Presentation**

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.



**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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**Government-wide Financial Statements.** The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

*Statement of Net Assets.* This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

*Statement of Activities.* This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund, capital projects and debt service funds. The fund financial statements begin on page 13.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets and begin on page 34.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 20 with the actual notes beginning immediately afterwards.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budgetary comparisons on pages 34-35.

**Financial Analysis of the District**

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS  
Governmental Activities**

	<u>2005</u>	<u>2004</u>
<b>Assets</b>		
Current assets	\$ 188,614.88	\$ 211,437.43
Restricted assets	1,350,125.07	1,664,993.43
Capital assets, net	<u>5,995,150.78</u>	<u>4,208,068.93</u>
Total Assets	7,463,890.73	6,084,499.79
 <b>Liabilities</b>		
Current liabilities	15,639.64	7,391.97
Liabilities payable from restricted assets	2,830,340.40	3,226,231.12
Long-term liabilities	<u>4,739.24</u>	<u>4,573.88</u>
Total Liabilities	<u>2,850,719.28</u>	<u>3,238,196.97</u>
 <b>Net Assets</b>		
Invested in capital assets, net of related debt	3,190,150.78	998,068.93
Restricted	1,328,331.31	1,648,762.31
Unrestricted	<u>94,689.36</u>	<u>199,471.58</u>
Total Net Assets	<u>4,613,171.45</u>	<u>2,846,302.82</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS  
Governmental Activities**

	<u>2005</u>	<u>2004</u>
<b>Revenues</b>		
Operating grants/contributions	\$ .00	\$ 200,000.00
Capital grants/contributions	490,000.00	.00
General revenues:		
Property taxes	1,559,010.36	1,290,870.72
Miscellaneous revenues	1,033.16	.00
Interest earnings	<u>32,635.28</u>	<u>16,729.88</u>
Total Revenues	2,082,678.80	1,507,600.60
 <b>Expenses</b>		
General government	315,810.17	335,840.14
Interest paid	<u>.00</u>	<u>31,733.59</u>
Total Expenses	<u>315,810.17</u>	<u>367,573.73</u>
 Change in net assets	1,766,868.63	1,140,026.87
 Net assets, beginning	<u>2,846,302.82</u>	<u>1,706,275.95</u>
 Net assets, ending	<u>4,613,171.45</u>	<u>2,846,302.82</u>

**Budgetary Highlights**

The District has always operated within its annual budgetary constraints. Although last year, the District did not receive any state funds for the administrative operating expenses, we expect to receive financial assistance in the next fiscal year.

The construction of the Comite River Diversion Canal Project has further improved the budgetary conditions of the District.

**Capital Asset and Debt Administration**

*Capital Assets:* The District's investment in capital assets, net of accumulated depreciation, at June 30, 2005 and 2004, was \$5,995,150.78 and \$4,208,068.93, respectively. Additions in both years consisted of continuing costs associated with the construction of the diversion canal. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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Capital assets at year-end are summarized as follows:

<b>CAPITAL ASSETS</b>		
<b>Net of Accumulated Depreciation</b>		
<b>Governmental Activities</b>		
	<u>2005</u>	<u>2004</u>
<b>Depreciable Assets</b>		
Furniture/equipment	\$ 4,356.93	\$ 8,068.93
Canals and drainage	<u>5,990,793.85</u>	<u>4,200,000.00</u>
Total	<u>5,995,150.78</u>	<u>4,208,068.93</u>

*Long-Term Debt:* Long-term debt of the District includes compensated absences at amounts of \$4,739.24 and \$4,573.88 at June 30, 2005 and 2004, respectively. Additionally, certificates of indebtedness were issued in December of 2003, in the amount of \$3,600,000. Principal payments have been made totaling \$795,000 leaving a balance of \$2,805,000 at June 30, 2005.

**Economic Environment and Next Year's Budget**

We expect to receive supplemental appropriations from the State as we have been receiving in the past. The construction of the Comite River Diversion Canal Project is expected to be completed in six to eight years, providing a sound basis for the operation of the District.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 AND 2004**

		<u>Governmental Activities</u>	
		<u>2005</u>	<u>2004</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents		\$ 118,614.88	\$ 211,437.43
Restricted Assets			
Cash and cash equivalents/capital projects		1,350,125.07	1,664,993.43
Non-Current Assets			
Capital assets, net of accumulated depreciation:			
Furniture and equipment		4,356.93	8,068.93
Canals and drainage		5,990,793.85	4,200,000.00
Total Non-Current Assets		5,995,150.78	4,208,068.93
Total Assets		7,463,890.73	6,084,499.79
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable		11,181.31	2,933.64
Accrued salaries payable		4,458.33	4,458.33
Total Current Liabilities		15,639.64	7,391.97
Liabilities Payable from Restricted Assets			
Accounts payable		4,146.23	234.25
Accrued interest payable		21,194.17	15,996.87
Bonds payable, current portion of \$420,000 and \$405,000		2,805,000.00	3,210,000.00
Total Liabilities Payable from Restricted Assets		2,830,340.40	3,226,231.12
Non-Current Liabilities			
Compensated absences payable		4,739.24	4,573.88
Total Liabilities		2,850,719.28	3,238,196.97
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt		3,190,150.78	998,068.93
Restricted for capital projects		1,328,331.31	1,648,762.31
Unrestricted		94,689.36	199,471.58
Total Net Assets		4,613,171.45	2,846,302.82

The accompanying notes are an integral part of this financial statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2005**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net Revenues (Expenses)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities</b>					
General government	\$ 315,810.17	\$ -	\$ -	\$ 490,000.00	\$ 174,189.83
Total Governmental Activities/Primary Government	315,810.17	-	-	490,000.00	174,189.83
<b>General Revenues</b>					
Property taxes, levied for capital projects					1,559,010.36
Miscellaneous revenues					1,033.16
Investment earnings					32,635.28
Total General Revenues					1,592,678.80
Change in Net Assets					1,766,868.63
Net Assets, beginning					2,846,302.82
Net Assets, ending					4,613,171.45

The accompanying notes are an integral part of this statement.

## FUND FINANCIAL STATEMENTS



**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2005 AND 2004**

	2005			2004		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 118,614.88	\$ -	\$ 118,614.88	\$ 211,437.43	\$ -	\$ 211,437.43
Restricted assets:						
Cash and cash equivalents	-	1,350,125.07	1,350,125.07	-	1,664,993.43	1,664,993.43
<b>TOTAL ASSETS</b>	<b>118,614.88</b>	<b>1,350,125.07</b>	<b>1,468,739.95</b>	<b>211,437.43</b>	<b>1,664,993.43</b>	<b>1,876,430.86</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	11,181.31	-	11,181.31	2,933.64	-	2,933.64
Accrued salaries payable	4,458.33	-	4,458.33	4,458.33	-	4,458.33
Liabilities payable from restricted assets:						
Accounts payable	-	4,146.23	4,146.23	-	234.25	234.25
Accrued interest payable	-	21,194.17	21,194.17	-	15,996.87	15,996.87
<b>Total Liabilities</b>	<b>15,639.64</b>	<b>25,340.40</b>	<b>40,980.04</b>	<b>7,391.97</b>	<b>16,231.12</b>	<b>23,623.09</b>

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS (Continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2005 AND 2004**

		2005			2004		
		<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Fund Balances:							
Reserved for capital projects	\$	-	\$ 1,324,784.67	\$ 1,324,784.67	\$ -	\$ 1,648,762.31	\$ 1,648,762.31
Unreserved/undesignated		102,975.24	-	102,975.24	204,045.46	-	204,045.46
Total Fund Balances		102,975.24	1,324,784.67	1,427,759.91	204,045.46	1,648,762.31	1,852,807.77
TOTAL LIABILITIES AND							
FUND BALANCES		118,614.88	1,350,125.07	1,468,739.95	211,437.43	1,664,993.43	1,876,430.86

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS  
JUNE 30, 2005 AND 2004**

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	<u>2005</u>	<u>2004</u>
Total Fund Balances - Total Governmental Funds	\$ 1,427,759.91	\$ 1,852,807.77
Amounts reported for governmental activities in the Statements of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds. This is the reported amount of capital assets net of accumulated depreciation.	5,995,150.78	4,208,068.93
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long- term liabilities include the following:		
Compensated absences	(4,739.24)	(4,573.88)
Bonds payable	(2,805,000.00)	(3,210,000.00)
Total Net Assets - Governmental Activities	<u>4,613,171.45</u>	<u>2,846,302.82</u>

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**

	2005			2004		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<b>REVENUES</b>						
State appropriation	\$ -	\$ 490,000.00	\$ 490,000.00	\$ 200,000.00	-	\$ 200,000.00
Property taxes	-	1,559,010.36	1,559,010.36	-	1,290,870.72	1,290,870.72
Miscellaneous revenues	-	1,033.16	1,033.16	-	-	-
Investment earnings	2,893.64	29,741.64	32,635.28	2,405.16	14,324.72	16,729.88
<b>Total Revenues</b>	<b>2,893.64</b>	<b>2,079,785.16</b>	<b>2,082,678.80</b>	<b>202,405.16</b>	<b>1,305,195.44</b>	<b>1,507,600.60</b>
<b>EXPENDITURES</b>						
General government	103,963.86	207,968.95	311,932.81	237,255.17	59,246.57	296,501.74
Capital outlay	-	1,721,609.05	1,721,609.05	-	3,600,000.00	3,600,000.00
Debt service:						
Principal	-	405,000.00	405,000.00	-	390,000.00	390,000.00
Interest	-	69,184.80	69,184.80	-	31,733.59	31,733.59
<b>Total Expenditures</b>	<b>103,963.86</b>	<b>2,403,762.80</b>	<b>2,507,726.66</b>	<b>237,255.17</b>	<b>4,080,980.16</b>	<b>4,318,235.33</b>
<b>Deficiency of Revenues over Expenditures</b>	<b>(101,070.22)</b>	<b>(323,977.64)</b>	<b>(425,047.86)</b>	<b>(34,850.01)</b>	<b>(2,775,784.72)</b>	<b>(2,810,634.73)</b>

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)  
GOVERNMENTAL FUNDS  
YEARS ENDED JUNE 30, 2005 AND 2004

	2005			2004		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	\$ -	\$ -	\$ -	\$ 81,298.23	\$ -	\$ 81,298.23
Transfers to other funds	-	-	-	-	(81,298.23)	(81,298.23)
Proceeds of bond issue	-	-	-	-	3,600,000.00	3,600,000.00
Bond-related expenses	-	-	-	-	(36,846.00)	(36,846.00)
Total Other Financing Sources (Uses)	-	-	-	81,298.23	3,481,855.77	3,563,154.00
Net Change in Fund Balances	(101,070.22)	(323,977.64)	(425,047.86)	46,448.22	706,071.05	752,519.27
Fund balances, beginning	204,045.46	1,648,762.31	1,852,807.77	157,597.24	942,691.26	1,100,288.50
Fund balances, ending	102,975.24	1,324,784.67	1,427,759.91	204,045.46	1,648,762.31	1,852,807.77

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2005 AND 2004**

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	<u>2005</u>	<u>2004</u>
Net Change in Fund Balances - Total Governmental Funds	\$ (425,047.86)	\$ 752,519.27
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	1,787,081.85	3,596,288.00
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds differed from repayments.	405,000.00	(3,210,000.00)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences.	<u>(165.36)</u>	<u>1,219.60</u>
Change in Net Assets - Governmental Activities	<u>1,766,868.63</u>	<u>1,140,026.87</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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**INTRODUCTION**

The Amite River Basin Drainage and Water Conservation District is a component unit of the State of Louisiana as provided by Louisiana Revised Statute 38:3301-3309. The District serves as a multi-parish authority to accomplish flood control measures, facilitate cooperation between federal, state and local governing bodies to foster floodplain management, maintain and operate structures built under the auspices of the Amite River Basin Commission and coordinate river management within the basin. It is charged with the responsibility to establish adequate drainage, flood control and water development including, but not limited to, construction of reservoirs, diversion canals, gravity and pumped drainage systems and other flood control works. The basin includes all territory within the watershed limits of the Amite River and tributaries covering areas within the parishes of East Baton Rouge, St. Helena, East Feliciana, Livingston and those portions east of U.S. Highway 61 in Ascension and St. James Parishes.

The District is managed by a Board of Commissioners composed of 13 members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with that of the Governor. Domiciled in Baton Rouge, the District is advised by the Louisiana Department of Transportation and Development. Commissioners, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$60 per day.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting practice of the Amite River Basin Drainage and Water Conservation District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Amite River Basin Drainage and Water Conservation District.

**Government-wide Accounting:** In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

**AMITE RIVER BASIN DRAINAGE  
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wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

*Eliminating Internal Activity*

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

*Application of FASB Statements and Interpretations*

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

*Capitalizing Assets*

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The District has opted not to retroactively report these types of capital assets.

*Program Revenues*

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
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nature, are revenues arising from receipts that are reserved for a specific use.

*Indirect Expenses*

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

*Operating/Non-Operating Revenues*

Proprietary funds separately report operating and non-operating revenues.

*Reserved Net Assets*

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

**Fund Types and Major Funds:** The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund;
2. Capital Projects – accounts for the flow of resources related to the construction, acquisition or renovation of capital assets; and
3. Debt Service – accounts for the accumulation of resources for the payment of long-term debt principal and interest.

These funds are considered major funds. The capital projects and debt service funds report the activity of the Comite Diversion Canal Project and are combined for reporting purposes.

**AMITE RIVER BASIN DRAINAGE  
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STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
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**Basis of Accounting/Measurement Focus:** In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

**Budgets and Budgetary Accounting:** The District adopts an annual budget for all of its funds, prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

The budget is submitted to the State of Louisiana as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342. Although budget amounts lapse at year-end, the District retains its unexpended fund balances to fund expenditures of the succeeding year.

**Cash and Cash Equivalents:** Cash includes amounts in interest bearing demand deposits and funds held by the Louisiana Asset Management Pool (LAMP). Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market

**AMITE RIVER BASIN DRAINAGE  
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NOTES TO FINANCIAL STATEMENTS  
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accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Investments:** Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The District did not have any investments at June 30, 2005 or 2004.

**Inventory:** Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Restricted Assets:** Certain proceeds of the District, primarily property taxes, are classified as restricted assets on the balance sheet because their use is limited.

**Capital Assets:** The District's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipments	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District has elected to not report its governmental infrastructure retroactively. From this point forward, the District will use the basic approach to infrastructure reporting for its governmental activities when applicable.

**Compensated Absences:** At June 30, 2005 and 2004, employees of the District had accumulated and vested \$4,739.24 and \$4,573.88, respectively, of employee leave benefits that were computed in accordance with GASB Codification Section C60.150.

**Long-Term Obligations:** In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**AMITE RIVER BASIN DRAINAGE  
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**Net Assets/Fund Balances:** In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

*Invested in Capital Assets, Net of Related Debt*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets*

Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

*Unrestricted Net Assets*

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

*Reserved*

These resources are segregated because their use is earmarked for a specific use.

*Unreserved*

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

**Interfund Transactions:** All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. The collected bank balances at June 30, 2005 and 2004, were \$85,170.68 and \$52,157.31, respectively. Deposits of the District are secured with \$200,000 (\$100,000 at Hibernia Bank and

**AMITE RIVER BASIN DRAINAGE  
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STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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\$100,000 at Hancock Bank) of insurance through FDIC and \$1,260,836 of pledged collateral.

The following is a summary of cash and cash equivalents (book balances) at June 30, 2005:

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Petty cash	\$ 200.00	\$ 200.00	\$ .00	\$ .00
Interest-bearing				
demand deposits	16,812.67	11,261.73	47,903.86	50,660.70
LAMP	<u>101,602.21</u>	<u>199,975.70</u>	<u>1,302,221.21</u>	<u>1,614,332.73</u>
Total	<u>118,614.88</u>	<u>211,437.43</u>	<u>1,350,125.07</u>	<u>1,664,993.43</u>

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets include cash and cash equivalents of \$1,350,125.07 at June 30, 2005, and \$1,664,993.43 at June 30, 2004. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 40,707.36	\$ .00	\$ .00	\$ 40,707.36
Less: accumulated depreciation	<u>32,638.43</u>	<u>3,712.00</u>	<u>.00</u>	<u>36,350.43</u>
Net Furniture and Equipment	<u>8,068.93</u>	<u>3,712.00</u>	<u>.00</u>	<u>4,356.93</u>
Canals and drainage	4,200,000.00	1,790,793.85	.00	5,990,793.85
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Net Canals and Drainage	<u>4,200,000.00</u>	<u>1,790,793.85</u>	<u>.00</u>	<u>5,990,793.85</u>
Net Capital Assets, being depreciated	<u>4,208,068.93</u>	<u>1,787,081.85</u>	<u>.00</u>	<u>5,995,150.78</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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**NOTE 5 – LEAVE**

*Annual and Sick Leave.* The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when leave is actually taken. The cost of leave privileges not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$4,739.24 and \$4,573.88 for June 30, 2005 and 2004, respectively.

*Compensatory Leave.* Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2005 or 2004.

**NOTE 6 – RETIREMENT SYSTEM**

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), cost sharing, multiple-employer and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0605 or 800-256-3000.



**AMITE RIVER BASIN DRAINAGE  
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NOTES TO FINANCIAL STATEMENTS  
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Covered employees are required to contribute 7.5% of gross salary to the plan, and the District is required to contribute an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2005, was 15.8%. Contributions to the System for the years ended June 30, 2005, 2004 and 2003, were \$18,816.86, \$16,839 and \$15,174.

**NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired person. The District does not currently have any retired persons to which it provides post retirement benefits.

**NOTE 8 – LEASES**

*Operating Leases.* The District leases office space on an annual basis. For the year ended June 30, 2005, payments of \$20,166 were made while \$19,529 was made in the preceding year. The current monthly rental amount is \$1,705.

A copier is leased on a month-to-month basis from Xerox Corporation for \$182.33 per month or \$2,187.96 annually.

*Capital Leases.* The District has no capital leases.

**NOTE 9 – ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at June 30, 2005:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 11,181.31	\$ 4,146.23
Salaries	4,458.33	.00
Interest	.00	21,194.17
Total at June 30, 2005	<u>15,639.64</u>	<u>25,340.40</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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**NOTE 10 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ 3,210,000.00	\$ .00	\$ 405,000.00	\$ 2,805,000.00	\$ 420,000.00
Compensated absences	4,573.88	699.35	533.99	4,739.24	.00
Total	<u>3,214,573.88</u>	<u>699.35</u>	<u>405,533.99</u>	<u>2,809,739.24</u>	<u>.00</u>

The District, as authorized under Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority, issued Limited Tax Certificates of Indebtedness, Series 2003 in the amount of \$3,600,000 in December of 2003. The purpose of these funds is to provide necessary revenues to carry out the District's local share of the Comite River Diversion Canal Project as authorized in a proposition approved by the voters on July 15, 2000. Repayment will be made from the levy and collection of a 3 mills tax authorized to be levied each year through 2010.

Repayment is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>
June 30, 2006	420,000.00	63,582.50	.100%
June 30, 2007	440,000.00	63,162.50	.100%
June 30, 2008	460,000.00	62,722.50	.100%
June 30, 2009	475,000.00	62,262.50	.350%
June 30, 2010	495,000.00	60,600.00	6.000%
June 30, 2011	<u>515,000.00</u>	<u>30,900.00</u>	6.000%
Total	<u>2,805,000.00</u>	<u>343,230.00</u>	

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

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**NOTE 11 – INTERFUND TRANSACTIONS**

Transfers among governmental funds were as follows during the current year:

	<u>Debt Service</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 468,987.50	\$ .00
Transfers to other funds	<u>.00</u>	<u>468,987.50</u>
Total Transfers	<u>468,987.50</u>	<u>468,987.50</u>

**NOTE 12 – RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure.

**NOTE 13 – LITIGATION**

There is no litigation that would require disclosure in this report.

**NOTE 14 – SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 2 OF 2)**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2005**

	<u>Budgeted</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State appropriation	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	2,893.64	2,893.64
Total Revenues	-	-	2,893.64	2,893.64
<b>EXPENDITURES</b>				
Personal services	152,000.00	152,000.00	28,291.61	123,708.39
Travel	3,500.00	4,500.00	4,298.28	201.72
Advertising, dues and subscriptions	3,000.00	2,200.00	1,451.52	748.48
Printing, duplication, typing and binding	1,500.00	4,000.00	206.90	3,793.10
Communications	7,500.00	7,000.00	993.54	6,006.46
Rentals	23,500.00	23,500.00	4,400.61	19,099.39
Maintenance/property and equipment	1,500.00	3,000.00	6,008.57	(3,008.57)
Professional services	74,000.00	71,500.00	11,061.70	60,438.30
Insurance and surety bonds	35,000.00	38,000.00	9,471.65	28,528.35
Materials and supplies	3,000.00	3,000.00	979.48	2,020.52
Intergovernmental	37,000.00	37,000.00	36,800.00	200.00
Total General Government	341,500.00	345,700.00	103,963.86	241,736.14
Capital outlay	4,000.00	500.00	-	500.00
Total Expenditures	345,500.00	346,200.00	103,963.86	242,236.14
Excess (Deficiency) of Revenues over Expenditures	(345,500.00)	(346,200.00)	(101,070.22)	245,129.78
Fund Balances, beginning	204,045.46	204,045.46	204,045.46	-
Fund Balances, ending	(141,454.54)	(142,154.54)	102,975.24	245,129.78

See Auditors' Report

## **SUPPLEMENTAL SCHEDULES AND INFORMATION**

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2005**

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In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2005.

<u>Name</u>	<u>Amount</u>
Bell, Patrick	\$ 1,440.00
Bourgeois, Paul A.	900.00
Callender, Lawrence E.	900.00
Cornette, Russell W.	540.00
Irvin, Sr., Leonard	60.00
Knost, Dotti G.	60.00
Lee, Willie George	720.00
Loupe, Jr., Sitman	60.00
Louque, Terry	960.00
Mellon, Robert S.	300.00
Thompson, Don	1,444.59
Williams, Robert C.	<u>420.00</u>
Totals	<u>7,804.59</u>

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS  
YEAR ENDED JUNE 30, 2005**

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The following payments were made to contractors for professional services rendered for surveys, feasibility studies and/or special studies:

Contract Date	Description	Amount
1/13/2005 CSRS, Inc.	Inventory and assessment of existing H&H models; Determination of appropriate methodology and level of input detail; Validity of data sources and verification of model calibration; Comparison of results among similar models; Suitability for future modeling in the Amite River Basin	\$ 27,600.00

See Auditors' Report



JOHN D. BUTLER & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 30  
BAKER, LOUISIANA 70704-0030  

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(225) 775-4982

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

July 21, 2005

Board of Commissioners of the  
Amite River Basin Drainage  
And Water Conservation District  
State of Louisiana  
3535 South Sherwood Forest Boulevard  
Suite 135  
Baton Rouge, Louisiana 70816-2255

We have audited the financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Amite River Basin Drainage and Water Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

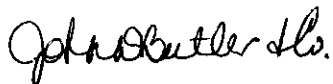
Board of Commissioners of the  
Amite River Basin Drainage  
and Water Conservation District  
State of Louisiana  
July 21, 2005  
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Butler & Co.", written in dark ink.

John D. Butler & Company  
A Professional Accounting Corporation

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2005**

---

We have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2005, and have issued our report thereon dated July 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2005 resulted in an unqualified opinion.

**Section I      Summary of Auditor's Reports**

1.    Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Reportable Condition	<input type="checkbox"/> No

Compliance	Compliance Material to F/S	<input type="checkbox"/> No
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2.    Federal Awards

N/A

**Section II      Financial Statement Findings**

N/A

**Section III     Federal Award Findings and Questioned Costs**

N/A

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2005**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2005**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2005**

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As a component unit of the State of Louisiana, the financial statements of the Amite River Basin Drainage and Water Conservation District are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

AMITE RIVER BASIN DRAINAGE AND WATER  
CONSERVATION DISTRICT  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2005

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD&A

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Statement of Activities	C
Statement of Cash Flows	D

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A	Instruction for the Simplified Statement of Activities
B	Information for Note C “Deposits with Financial Institutions and Investments”



STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2005

AMITE RIVER BASIN DRAINAGE AND WATER  
CONSERVATION DISTRICT

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Dietmar Rietschier, Executive Director of Amite River Basin Drainage and Water Conservation District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Amite River Basin Drainage and Water Conservation District at June 30, 2005 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Agency Official

\_\_\_\_\_  
NOTARY PUBLIC

Prepared by: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

**AMTIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2005**

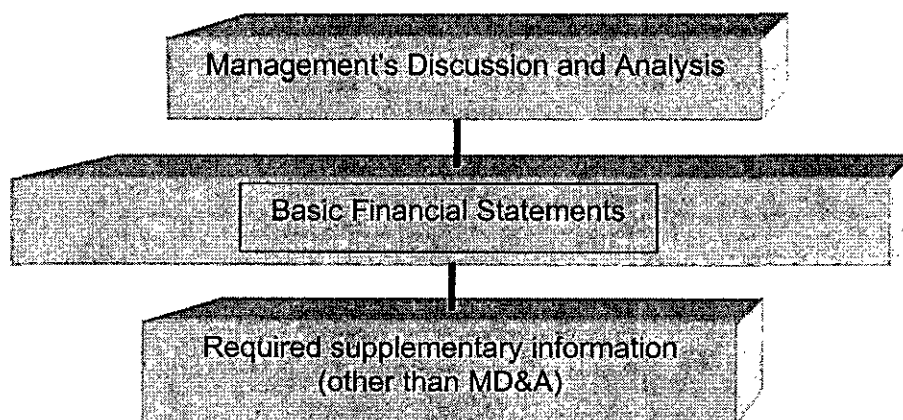
The Management's Discussion and Analysis of the Amite River Basin Drainage and Water Conservation District's (hereafter referred to as the District) (BTA) financial performance presents a narrative overview and analysis of District's (BTA) financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 44 and the District's (BTA) financial statements, which begin on page 51.

**FINANCIAL HIGHLIGHTS**

- ★ The District's (BTA) assets exceeded its liabilities at the close of fiscal year 2005 by \$4,613,171, which represents a 62% increase from last fiscal year.
- ★ The District's (BTA) revenue increased \$575,078 or 38% from prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

The basic financial statements present information for the District (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 51) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District (BTA) is improving or deteriorating.

**AMTIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2005**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 52) presents information showing how District's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 54-55) presents information showing how District's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets as of June 30, 2005 (in thousands)		
	Total	
	2005	2004
Current and other assets	\$ 1,468,740	\$ 1,876,431
Capital assets	5,995,151	4,208,069
Total assets	7,463,891	6,084,500
Other liabilities	2,845,980	3,233,623
Long-term debt outstanding	4,739	4,574
Total liabilities	2,850,719	3,238,197
Net assets:		
Invested in capital assets, net of debt	3,190,151	998,069
Restricted	1,328,331	1,648,762
Unrestricted	94,689	199,472
Total net assets	\$ 4,613,171	\$ 2,846,303

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the District's (BTA) increased by \$626,842, or 55%, from June 30, 2004 to June 30, 2005.

**STATE OF LOUISIANA  
AMTIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2005**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30, 2005  
(in thousands)**

	<u>Total</u>	
	<u>2005</u>	<u>2004</u>
Operating revenues	\$ 2,082,679	\$ 1,507,601
Operating expenses	<u>315,810</u>	<u>367,574</u>
Operating income	<u>1,766,869</u>	<u>1,140,027</u>
Non-operating revenues(expenses)	<u>                    </u>	<u>                    </u>
Income before transfers	<u>1,766,869</u>	<u>1,140,027</u>
Transfers in	<u>                    </u>	<u>                    </u>
Transfers out	<u>                    </u>	<u>                    </u>
Net increase in net assets	\$ <u>1,766,869</u>	\$ <u>1,140,027</u>

The District's (BTA) total revenues increased by \$575,078 or 38%.

**STATEMENT OF CASH FLOWS N/A**

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

**Statement of Cash Flows  
(in thousands)**

	<u>2005</u>	<u>2004</u>
Cash and cash equivalents provided used by:		
Operating activities	(230,588)	(364,049)
Capital Financial Activities	\$ (2,259,782)	\$ (374,003)
Non-capital financing activities	<u>2,050,044</u>	<u>1,490,871</u>
Investing activities	<u>32,635</u>	<u>16,730</u>
Net increase in cash and cash equivalents	<u>(407,691)</u>	<u>769,549</u>
Cash and cash equivalents		
Beginning of year	1,876,431	1,106,882
End of year	\$ <u>1,468,740</u>	\$ <u>1,876,431</u>

**AMTIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2005**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2005, the District (BTA) had \$5,995,151 invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$1,787,082, or 42%, over last year.

**Capital Assets at Year-end  
(Net of Depreciation, in thousands)**

	<u>2005</u>	<u>2004</u>
Furniture/equipment	\$ 4	\$ 8
Canals and drainage	<u>5,994</u>	<u>4,200</u>
Totals \$	<u>\$ 5,998</u>	<u>\$ 4,208</u>

This year's major additions included (in thousands):

- Additions in both years consisted of continuing cost associated with the construction of the diversion canal.

**Debt**

Long-term debt of the District includes compensated absences at amounts of \$4,739.24 and \$4,573.88 at June 30, 2005 and 2004 respectively.

**Outstanding Debt at Year-end  
(in thousands)**

	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$ 2,805	\$ 3,600
Revenue Bonds and Notes	<u>0</u>	<u>0</u>
Totals \$	<u>\$ 2,805</u>	<u>\$ 3,600</u>

Certificates of indebtedness were issued in December of 2003, in the amounts of \$3,600,000. Principal payments have been made totaling \$795,000 leaving a balance of \$2,805,000 at June 30, 2005.

**AMTIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2005**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$2,894 under budget and expenditures were less than budget by \$241,736.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District has always operated within its annual budgetary constraints. Although last year, the District did not receive any state funds for the administrative operating expenses, we expect to receive financial assistance in the next fiscal year.

The construction of the Comite River Diversion Canal Project has further improved the budgetary conditions of the District.

**CONTACTING THE DISTRICT'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2005**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note C1)	\$	118,615
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		118,615

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		1,350,125
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		
Furniture and equipment		4,357
Canals and drainage		5,990,794
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		7,345,276
Total assets	\$	7,463,891

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	11,181
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		4,458
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		445,341
Bonds payable		
Other long-term liabilities		
Total current liabilities		460,981

**NON-CURRENT LIABILITIES:**

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		4,739
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		2,385,000
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		2,389,739
Total liabilities		2,850,720

**NET ASSETS**

Invested in capital assets, net of related debt		3,190,151
Restricted for:		
Capital projects		1,328,331
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		94,689
Total net assets		4,613,171
Total liabilities and net assets	\$	7,463,891

The accompanying notes are an integral part of this financial statement.  
Statement A

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**OPERATING REVENUES**

Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		
Other		
Total operating revenues		-

**OPERATING EXPENSES**

Cost of sales and services		
Administrative		242,913
Depreciation		3,712
Amortization		
Total operating expenses		246,625
Operating income(loss)		(246,625)

**NON-OPERATING REVENUES(EXPENSES)**

State appropriations		490,000
Intergovernmental revenues (expenses)		
Taxes		1,559,010
Use of money and property		32,635
Gain (loss) on disposal of fixed assets		
Federal grants		
Interest expense		(69,185)
Other		(1,033)
Total non-operating revenues(expenses)		2,013,493
Income(loss) before contributions and transfers		1,766,868

Capital contributions

Transfers in

Transfers out

Change in net assets		1,766,868
Total net assets – beginning as restated		2,846,303
Total net assets – ending	\$	4,613,171

The accompanying notes are an integral part of this financial statement.

Statement B



STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues		
		Operating	Capital	Net (Expense)
	Expenses	Charges for	Grants and	Revenue and
		Services	Contributions	Changes in
			Contributions	Net Assets
				.
Entity	\$ 315,810	\$	\$ 490,000	\$ 174,190
General revenues:				
Taxes				1,559,010
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				32,635
Miscellaneous				1,033
Special items				
Transfers				
Total general revenues, special items, and transfers				1,592,678
Change in net assets				1,766,868
Net assets - beginning as restated				2,846,303
Net assets - ending				\$ 4,613,171

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2005**  
**N/A**

**Cash flows from operating activities**

Cash received from customers	\$	
Cash payments to suppliers for goods and services		(84,509)
Cash payments to employees for services		(146,079)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities	\$	(230,588)

**Cash flows from non-capital financing activities**

State appropriations	490,000	
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other-taxes/Misc	1,560,044	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		2,050,044

**Cash flows from capital and related financing activities**

Proceeds from sale of bonds		
Principal paid on bonds	(405,000)	
Interest paid on bond maturities	(63,988)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(1,790,794)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(2,259,782)

**Cash flows from investing activities**

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	32,635	
Net cash provided(used) by investing activities		32,635.00

Net increase(decrease) in cash and cash equivalents	(407,691.00)
Cash and cash equivalents at beginning of year	1,876,431.00
Cash and cash equivalents at end of year	\$ 1,468,740.00

The accompanying notes are an integral part of this statement.

Statement D (continued)

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2005  
 N/A

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$	(246,625)
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	3,712		
Provision for uncollectible accounts			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net			
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	12,160		
Increase(decrease) in accrued payroll and related benefits			
Increase(decrease) in compensated absences payable	165		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues			
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	(230,588)

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
<b>Total noncash investing, capital, and financing activities:</b>	\$	-

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

### INTRODUCTION

The District is a component unit of the State of Louisiana as provided by Louisiana Revised Statute 38:3301-3309. It is charged with the responsibility to establish adequate drainage, flood control and water development including, but not limited to, construction of reservoirs, diversion canals, gravity and pumped drainage systems and other flood control works. The basin includes all territory within the watershed limits of the Amite River and tributaries covering areas within the parishes of East Baton Rouge, St. Helena, east Feliciana, Livingston and those portions east of U.S. Highway 61 in Ascension and St. James Parishes.

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

#### Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

#### Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

### B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the District (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2005

	APPROPRIATIONS
Original approved budget	\$ 345,500
Amendments:	700
Final approved budget	\$ 346,200

C. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. **DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.**

The deposits at June 30, 2005, consisted of the following:

**STATE OF LOUISIANA**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 1,468,740	\$	\$	\$ 1,468,740
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$	\$	\$	\$ -
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name				-
Total Bank Balances - All Deposits	\$ 1,468,740	\$	\$	\$ 1,468,740

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Hibernia Bank</u>	<u>Operating</u>	\$ 17,308
2. <u>LAMP</u>	<u>Operating</u>	101,602
3. <u>LAMP</u>	<u>Capital Projects</u>	1,302,221
4. <u>Hancock Bank</u>	<u>Capital Projects</u>	67,863
Total		\$ 1,488,994

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$
Petty cash	\$ 200

**2. INVESTMENTS N/A**

The District (BTA) does not maintain investment accounts as authorized by \_\_\_\_\_ (Note legal provisions authorizing investments by (BTA)).

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

**As of and for the year ended June 30, 2005**

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.**

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent <u>Not in</u> Entity's Name	Reported Amount	Fair Value
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

\* unregistered - not registered in the name of the government or entity

3. Derivatives N/A

The institution does not invest in **derivatives** as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:

credit risk \_\_\_\_\_

market risk \_\_\_\_\_

legal risk \_\_\_\_\_

4. **Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures** N/A

### A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

<u>Rating</u>	<u>Fair Value</u>
	\$
Total	\$ -

### B. Interest rate Risk N/A

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$ -	\$ -	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

### C. Concentration of Credit Risk N/A

List, by amount and issuer, investments in any one issuer that represents 5% or more of total investments. (not including U.S. government securities, mutual funds, and external investment pools)



**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
	\$	
Total	\$	

**D. Foreign Currency Risk N/A**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$	\$

**5. Policies N/A**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

**6. Other Disclosures Required for Investments N/A**

- Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- Securities underlying reverse repurchase agreements \_\_\_\_\_
- Unrealized investment losses \_\_\_\_\_
- Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  - Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  - Description of the terms of the agreement \_\_\_\_\_
- Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements as of Year-End N/A

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close), to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

Fair Value Disclosures N/A

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate \_\_\_\_\_

- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

### D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

Year ended June 30, 2005							
	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 7/1/2004	Additions	Transfers*	Retirements	Balance 6/30/2005
<b>Capital assets not being depreciated</b>							
Land	\$	\$	--	\$	\$	\$	--
Non-deprecip-3Xecia3X land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	\$	--	--	--	--	--	--
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	\$ 40,707	\$	40,707	\$	\$	\$	40,707
Less accumulated depreciation	(32,638)		(32,638)	(3,712)			(36,350)
Total furniture, fixtures, and equipment	8,069	--	8,069	(3,712)	--	--	4,357
Buildings and improvements			--				--
Less accumulated depreciation			--				--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	4,200,000		4,200,000	1,790,794			5,990,794
Less accumulated depreciation			--				--
Total infrastructure	4,200,000	--	4,200,000	1,790,794	--	--	5,990,794
Total other capital assets	\$ 4,208,069	--	4,208,069	1,787,082	--	--	5,995,151
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	\$	--	--	--	--	--	--
Other capital assets, at cost	4,240,707	--	4,240,707	1,790,794	--	--	6,031,501
Total cost of capital assets	4,240,707	--	4,240,707	1,790,794	--	--	6,031,501
Less accumulated depreciation	(32,638)	--	(32,638)	(3,712)	--	--	(36,350)
Capital assets, net	\$ 4,208,069	--	4,208,069	1,787,082	--	--	5,995,151

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

## **AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

### **Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

#### **E. INVENTORIES N/A**

The BTA's inventories are valued at \_\_\_\_\_ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

#### **F. RESTRICTED ASSETS**

Restricted assets include cash and cash equivalents of \$1,350,125 at June 30, 2005. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

#### **G. LEAVE**

##### **1. COMPENSATED ABSENCES**

The District (BTA) has the following policy on annual and sick leave:

The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employees' hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure when leave is actually taken. The cost of leave privileges, not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$4,739.24 for June 30, 2005.

##### **2. COMPENSATORY LEAVE**

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2005.

#### **H. RETIREMENT SYSTEM**

Substantially all of the employees of the District (BTA) are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, and defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time District (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0605 or (800) 256-3000.

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. That rate for the year ended June 30, 2005, was 15.8%. Contributions to the System for the years ended June 30, 2005 were \$18,816.86.

### I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the District (BTA). Those benefits for include joint payment of monthly premiums at 50% District and 50% retired person. The District does not currently have any retired persons to which it provides post retirement benefits.

### J. LEASES

#### 1. OPERATING LEASES

The District leases office space on an annual basis. For the year ended June 30, 2005, payments of \$20,166 were made while \$19,529 was made in the preceding year. The current monthly rental amount is \$1,705.

A copier is lease on a month-to-month basis from Xerox Corporation for \$182.33 per month or \$2,187.96 annually.

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011- 2015	FY2016- 2020
	\$	\$	\$	\$	\$	\$	\$
Total	\$ -	-	\$ -	-	\$ -	-	-

#### 2. CAPITAL LEASES N/A

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30 :</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2005**

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

### SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	-
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

### 3. LESSOR DIRECT FINANCING LEASES N/A

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.



# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

As of and for the year ended June 30, 2005

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs				
Minimum lease payment receivable		_____ -		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____ -		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____ -

### 4. LESSOR – OPERATING LEASE N/A

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

# AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

## Notes to the Financial Statement

### As of and for the year ended June 30, 2005

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	_____	_____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2020, please create additional columns and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2006	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)****Notes to the Financial Statement****As of and for the year ended June 30, 2005****K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2005:

	Balance June 30, 2004	Year ended June 30, 2005		Balance June 30, 2005	Amounts due within one year
		Additions	Reductions		
<b>Bonds and notes payable:</b>					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable	3,210,000		405,000	2,805,000	420,000
Total notes and bonds	3,210,000	--	405,000	2,805,000	420,000
<b>Other liabilities:</b>					
Contracts payable				--	
Compensated absences payable	4,574	699	534	4,739	--
Capital lease obligations				--	
Liabilities payable from restricted assets				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	4,574	699	534	4,739	--
Total long-term liabilities	\$ 3,214,574	\$ 699	\$ 405,534	\$ 2,809,739	\$ 420,000

A detailed summary, by issues, of all debt outstanding at June 30, 2005, including outstanding interest of \$343,230 is shown on Schedule 4.

**L. LITIGATION**

There is no litigation that would require disclosure in this report.

**M. RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure.

**N. ACCOUNTING CHANGES N/A****O. IN-KIND CONTRIBUTIONS N/A****P. DEFEASED ISSUES N/A****Q. COOPERATIVE ENDEAVORS N/A****R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A****S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A****T. SHORT-TERM DEBT N/A****U. DISAGGREGATION OF RECEIVABLE BALANCES N/A****V. DISAGGREGATION OF PAYABLE BALANCES N/A**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)****Notes to the Financial Statement****As of and for the year ended June 30, 2005****W. SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

**X. SEGMENT INFORMATION N/A****Y. DUE TO/DUE FROM AND TRANSFERS N/A**

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due from other funds		\$

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due to other funds		\$

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
Debt Service	Comite Project	\$468,988
Total transfers from other funds		\$468,988

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
Capital Project	Comite Project	\$ 468,988
Total transfers to other funds		\$ 468,988

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the District (BTA) at June 30, 2005, reflected at \$2,830,340 in the current liabilities section on Statement A, consist of \$4,146.23 in accounts payable, \$21,194.17 in accrued interest payable and \$2,805,000 in bonds payable.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A**

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
For the Year Ended June 30, 2005

Name	Amount
Bell, Patrick	\$ 1,440
Bourgeois, Paul A.	900
Callender, Lawrence E.	900
Cornette, Russell W.	540
Irvin, Sr., Leonard	60
Knost, Dotti G.	60
Lee Willie George	720
Loupe, Jr., Sitman	60
Louque, Terry	960
Mellon, Robert S.	300
Thompson, Don	1,445
Williams, Robert C.	420
	\$ 7,805

SCHEDULE 1

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF STATE FUNDING  
For the Year Ended June 30, 2005**

N/A

<u>Description of Funding</u>	<u>Amount</u>
1. <u>Comite River Diversion Canal</u>	\$ <u>490,000</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u>490,000</u>

SCHEDULE 2

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE  
June 30, 2005

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF NOTES PAYABLE  
June 30, 2005  
N/A

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

\*Send copies of new amortization schedules

SCHEDULE 3-B



STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF BONDS PAYABLE  
June 30, 2005  
N/A

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
2003	12/03	\$3,600,000	\$3,210,000	\$405,000	\$2,805,000		\$21,194
Total		<u>\$3,600,000</u>	<u>\$3,210,000</u>	<u>\$405,000</u>	<u>\$2,805,000</u>		<u>\$21,194</u>

\*Send copies of new amortization schedules

SCHEDULE 3-C

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT(BTA)**  
**SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 2005**

Fiscal Year Ending:	Principal	Interest
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-A

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
For The Year Ended June 30, 2005

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2006	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u> --
2007	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2008	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2009	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2020	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2011-2015	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2016-2020	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2021-2025	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2026-2030	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
Total	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --

SCHEDULE 4-B

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011-2015	_____	_____
2016-2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-C

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT (BTA)  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2005**

<b>Fiscal Year Ending:</b>	<b>Principal</b>	<b>Interest</b>
2006	\$ 420,000.00	\$ 63,582.50
2007	440,000.00	63,162.50
2008	460,000.00	62,722.50
2009	475,000.00	62,262.50
2010	495,000.00	60,600.00
2011	515,000.00	30,900.00
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
Total	\$ 2,805,000.00	\$ 343,230.00

SCHEDULE 4-D

# STATE OF LOUISIANA

## AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)

### COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 2,082,679	\$ 1,507,601	\$ 575,078	\$ 38%
Expenses	315,810	367,574	(51,764)	16%
2) Capital assets	1,721,609	3,600,000	(1,878,391)	1.09%
Long-term debt	405,000	390,000	15,000	4%
Net Assets	1,427,760	1,852,808	(425,048)	30%
Explanation for change:				

### SCHEDULE 15